

SUGAR SHORTAGE IS FULLY EXPLAINED IN STATEMENT WHICH HOOVER HAS ISSUED

Tells Where Stocks Went, What Has Been Done And Defends Rolph; Economize Or Send Fewer Soldiers

Copies of the text in full of the statement of Food Administrator Herbert C. Hoover in explanation of the sugar shortage and made public by authority of the President were received this week in the mail from the mainland. The reports heretofore received having been merely in the form of a summary. His statement fills nine columns of the Official Bulletin of December 27.

Hoover's published statement was issued as a direct result of the action of the senate investigation committee in refusing to permit him to testify or to present such a statement in the hearings of the committee, following the attacks on the food administration by Charles Sprague and others and the openly manifested antagonism of Senator Reed, the chairman of the committee.

"For purposes of understanding the sugar situation, four factors must be borne in mind:

"1. The United States, Canada, and England were importing countries before the war, while France and Italy were very nearly self-supporting.

"2. The main sources of supplies to importing countries were—

"a. Germany and neighboring powers.

"b. The West Indies.

"c. The East Indies.

"d. The French possessions.

"The German sources have been cut off entirely, and Germany also largely withdrew the sugar of surrounding countries at the present time. Before the war, England drew approximately 1,400,000 long tons per annum from Germany and neighboring sources.

"France produced about 750,000 long tons of beet sugar and exported 300,000 tons. The French production in 1917 fell to 210,000 long tons. Italy produced about 210,000 long tons and imported about 100,000 tons. The Italian production fell to 75,000 long tons. Thus these three countries were thrown into the United States market for 1,000,000 tons to maintain normal consumption and to reduce this by home economies. The East Indian sugar requires about three times the length of voyage, and therefore three times the amount of tonnage, to bring from that source compared to the West Indies.

"The actual draft of sugar from the West Indies in 1917 was 1,400,000 tons, against 800,000 tons previous year. They also drew some 300,000 tons from Java and the East Indies.

"The steady shortening of shipping throughout the year thrust an increased drain on the West Indies. Aside from this constant element of uncertainty in the position from month to month, another uncertain factor arose in that we could not judge the effect of their conservation measures in Europe. While drastic on the civil population, the consumption of soldiers is far above normal.

"The Food Administration was created on August 10, 1917. The statistical evidence had indicated for some time that the heavy but uncertain draft of Western Hemisphere sugar to Europe might narrow our margin of supplies, pending the new crop. In order to prevent supplies from going elsewhere, the Food Administration placed an embargo on the United States was put into force on August 27, 1917, and the Cuban government cooperated in placing an embargo on all its sugar except to ourselves and the allies on October 1, 1917. In the meantime, every effort was made by the Food Administration to secure voluntary reduction of consumption by widespread propaganda, in order that we might afford as much supplies to the allies as possible.

"Effort was made to secure Java supplies, but no shipping could be obtained by the Shipping Board, nor did our efforts succeed in securing foreign shipping.

"Allies Reduce Ration.

"Continuing the statement tells of England reducing the household sugar ration in August to twenty-four pounds a person a year and of France in September reducing its per capita annual ration to 13.2 pounds. This ration the French government found itself unable to maintain and appealed to the United States government for exports. It was agreed that these exports should be continued up to 100,000 tons. The American household consumption is at least fifty pounds a person. A plea for further economy in this country was made which the food administrator proceeded to fulfill.

"Figures from the department of commerce are quoted showing exports from August 1 to November 1 of 28,037 tons and to France of 23,119 tons while the allied traffic executive placed the figure for France at 85,428. During the same period 238,777 tons were shipped from Cuba direct to these countries, a total of them of 327,134. These figures are impressive.

"In the United States, the French production in 1917 fell to 210,000 long tons. Italy produced about 210,000 long tons and imported about 100,000 tons. The Italian production fell to 75,000 long tons. Thus these three countries were thrown into the United States market for 1,000,000 tons to maintain normal consumption and to reduce this by home economies. The East Indian sugar requires about three times the length of voyage, and therefore three times the amount of tonnage, to bring from that source compared to the West Indies.

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duction of some 30,000 tons of sugar intended for France in the Northeast, we proposing to help the Allies from Gulf ports or Cuba, as the case might develop. We have not yet been able to do so, although the allied situation is today more critical than ever.

"The food administration has conducted a systematic campaign for the reduction of individual sugar consumption. The reduction has shown in the decrease in candy sales, etc., but, on the other hand, a similar campaign for the preservation of fruit has increased consumption in that direction—but will reduce consumption later on.

"In the face of the critical situation in England and France and the obvious shortage in this country, any discouragement to this campaign is a positive disaster.

"Annual Consumption

"Taking into consideration the stocks of raw sugar on January 1, 1917, the total net supplies from all sources after deducting exports—from January 1 to September 1, 1917, were in the calculations of our statistical division about 3,287,000 long tons, against 2,989,000 long tons in the same period of 1916, or an apparent net increase in supplies by about 300,000 tons. On the other hand, the carefully compiled statistics of the department of agriculture show the net sugar retained in the United States for the past three years as follows, to the 30th of June each year:

	Long tons.
"1914	3,925,801
"1915	3,851,327
"1916	3,553,733
"1917	3,777,740
"Average for three years, 1914-1916,	3,776,952

"Therefore, while the consumption for the fiscal year 1917 was 235,907 tons in excess of 1916, it was only 688 tons in excess of the average of the three previous years. Consequently, I am in doubt as to whether there was any real increase in consumption and as to whether the apparent increase can not be accounted for as to differences in invisible stocks from year to year. A rough stock-taking by the food administration of supplies indicated on September 1 that there was in the hands of refiners and principal storage houses about 300,000 tons. This has since been found by the department of agriculture to have been 325,000 tons. The stocks in these hands at the same date in 1916 are undetermined.

"Several explanations have been made of the supposed increased consumption and many explanations given:

"(a) A higher wage level and consequent higher standard of living and the increase due to increased dry areas.

"(b) The largely increased amount of home fruit preservation.

"(c) Some household hoarding during the months of February, March, and April upon the general alarm created by the declaration of war. The trade journals place sugar in the hands of the consumer at from eight and a half to nine cents per pound, depending upon locality and conditions of trade, or at from 1 to 2 cents below the prices of August last and from one-half to one cent per pound cheaper than today.

"Elimination of Speculation

"There is now an elimination of speculation, extortionate profits, and in the refining alone the American people will save over \$25,000,000 of the refining charges last year. A part of these savings goes to the Cuban, Hawaiian, Porto Rican, and Louisianian producer and part to the consumer."

"Hoover then gives a table showing the sugar received and disbursed during September, October and November and says that the average monthly consumption in this country is 350,000 tons and the supply in October and November was about seventy percent of the normal. He shows how the arrivals should have increased materially in December and, with cars available, continue to increase thereafter.

"Reaches Conclusion

"His conclusion is that the conflicting operation of the war declaration, run on the sugar bank and conservation methods have more or less neutralized each other; the drain of the allies on Cuban and American supplies denuded the margin of about 300,000 tons that was needed to maintain normal consumption instead of about seventy to eighty percent; the shortage has been accentuated by lack of cars to move Louisiana and beet sugar and there are not and have not been supplies available which have not been brought to market.

"Hoover asserts statements that there will be ample supplies are wrong and opposed to every fact of the situation. He insists it is our stern duty to feed the Allies, to maintain their health and strength at any reasonable cost to ourselves, and adds:

"There has not been, nor will be as we see it, enough sugar for even their present meager and depressing ration

unless they send ships to remote markets for it. If we in our greed and gluttony force them either to further reduce their ration or to send these ships we will have done damage to our ability to win this war. Today the number of soldiers we can send to France is limited by the ships we have available. If we send the ships to Java 250,000 tons of sugar next year to piece out their ration we will have necessitated employment of the equivalent of 11 extra ships for one year. This in our present situation is the measure of transport and maintenance of 150,000 to 200,000 men in France.

"No Price-Fixing Powers

"The food bill contains no price-fixing powers, and no price-fixing in a legal sense has been attempted, and there has been no restraint on competition below profiteering level.

"In order to protect the public from profiteering and speculation, to protect it from 25-cent sugar in the face of a short supply, every element of the sugar production and sugar distribution in the country was called into conference and asked to voluntarily enter into understanding with the administration to prevent these things. The national necessity was pointed out to these men. They were appealed to on the ground of patriotism to give their skill and cooperation to the uninvited public interest in this time of national stress, to bury thoughts of personal gain and serve the Nation. They were appealed to to bury their trade fights and trade jealousies and work in the common interest. There are many interests to consider. The cane producers of Louisiana, the beet producers, the beet manufacturers, the Hawaiian cane producers, the cane refiners, the Cuban producers, the allied necessities, the American consumer. These conflicting interests have much accumulation of hatred and bitterness.

"It has been necessary to organize these groups upon a voluntary basis and to drive this team to the common good, the ultimate ends being:

"First. To protect our producer and consumer.

"Second. To prevent speculation and extortion.

"Third. To supply the allies.

"Tells of Work Done

"He tells of the steps taken by the food administration: suspension of speculation, price agreement on beet sugar, agreement with Louisiana growers on a price for granulated, request to refiners not to pay more than 6.90 for Cuban raws, regulation limiting profits of refiners, wholesalers and dealers and the widespread propaganda to inform the public the prices which it should pay.

"The commission has no authority to control retail prices except through public opinion but every one cent increase in price costs the public in three months \$18,000,000.

"Hoover tells of the plans of this year to be carried out by the national committee at home and the International committee abroad and at home, the full duties of which committees are still to be determined.

"Relative to the charges of sugar imports from Cuba having been diverted he says:

"The statement has been made that the action of the Food Administration in September in limiting the price to be paid for Cuban raws caused some 50,000 to 100,000 tons of these sugars to be diverted elsewhere and contributed to this shortage, aside from the government in our favor. A complete answer to this statement lies in the fact that all of the Cuban sugar since that date has come either to this country or the allies and has been consumed. Some existing small contracts were permitted to Spain and Mexico amounting to less than 2000 tons. I submit the following telegram from our consul general in Cuba, as follows:

"Exports from Cuba to neutral countries for September, October and November according to statistics here as follows: Spain, 316 long tons; Mexico, 1630. No other. Practically no sugar on island of old crops unsold.

"(Signed) H. H. MORGAN, American Consul General."

Defends Rolph

BRINGS NITRATES TO SUPPLY FARMERS

Price Will Be About Seventy-five Cents a Ton Loaded in Cars At Seaboard

WASHINGTON, December 29.—David F. Houston, secretary of agriculture, today made the following statement regarding the purchase of 100,000 tons of Chilean nitrate for fertilizer use by farmers under the provision in the food control act which authorizes the President to procure nitrates of soda for this purpose and to supply it to farmers for each at cost:

"I have been giving a great deal of thought and attention to the nitrate question. I have been in daily touch with the way industries board, which was to purchase and deliver the material at the seaboard, and also with the shipping board. Arrangements were completed several weeks ago, through the war industries board under the immediate supervision of Mr. Baruch, to purchase approximately 100,000 tons of nitrate of soda in Chile in accordance with the authorization for such purpose in the food control act. Because of disturbed shipping conditions it has been impossible until recently definitely to secure facilities for transporting the nitrate in whole or in part. Within the last few days preparations have been completed for the delivery at the seaboard during January of 15,000 tons, and every reasonable assurance is given that supplies up to the 100,000 tons for the coming months will be delivered. Every possible effort will be made to make certain these deliveries, but it should be understood that, an account of existing situations, circumstances over which there is no control, might intervene.

"I cannot state today exactly what the price will be, but it will be approximately \$75 on board cars at the seaboard. Farmers will have to pay freight charges to their local stations, the State fertilizer tag fee, which varies in different States but will probably not average more than twenty-five cents a ton, and any other local charges.

"The nitrate secured under the appropriation will be sold only to farmers for their own use during the coming season, and generally not in excess of the amounts used by them heretofore. The department is now arranging machinery for the distribution of the material and will give full publicity concerning the details of the matter."

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Answering the charges which Sprague made against Rolph on the subject of Hawaiian sugars and their shipment to Crockett instead of diversion of them to the eastern refineries he said:

"Charges have been made before this committee that Mr. Rolph endeavored to benefit the California refinery of the sugar supplies for ourselves and the allies next year. It entails the transport of 250,000 tons of sugar for the allies from Java if the American people is to have its normal supply. Such transport will diminish our ability to send soldiers to France by 200,000 men. If, however, the American public will diminish their consumption by 10 to 15 percent, or if the Cuban sugar is larger than we anticipate, this disaster of transport necessity can be avoided."

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Mercury Drops to Ten Degrees In Louisiana Fields

Record Breaking Weather Hits Southern Plantations But Amount of Damage Occasioned Is Yet To Be Determined

NEW ORLEANS, December 15.—Exceedingly cold weather hit the Louisiana sugar belt this week, fortunately a very brief blow. Up to Thursday, and the freeze at from ten to twenty degrees took place Sunday morning. There were no reports of any great damage done, but a matter of fact, there were no reports of any damage except the statement of Charles Godchaux, of the great Godchaux Louisiana sugar interests, on Sunday, at New Orleans, of his estimate of the damage done based upon his previous experience with such weather, and the results thereof from a Louisiana sugar plantation of his. He said that the cold was a point of view. He said that the probable cause may have fallen victim to the unheard-of, record-breaking December temperatures, but that it would be several days before it could be determined definitely whether there was any damage or not to the stubble.

"Secretary J. E. Chaffin, of the American Cane Growers' Association, one of the best posted and most expert of the planters in the state, said Wednesday that there was no doubt that the cold added at least two days to the growing time of the cane, which was the big Sterling factory of Williams, and the monster Reserve factory of the Godchauxs. It may have done some little harm to the windrowed cane, but continued cold weather, such as did follow the Sunday freeze and which was again very intense Thursday night, was just what was needed to reduce the loss, if there was any, due to the ten degree weather.

"One of the local New Orleans newspapers, in discussing the cold weather and its effect upon the cane crop, stated that the dry weather which accompanied it was an item of salvation. The contrary is true even though there was no material injury under the circumstances, which is more because of the continued extreme low temperatures than anything else. It is better, say cane men, for the cane to be dry in a windrow after a freeze than dry, because the water keeps the low temperatures in the cane and thereby, to an extent, prevents fermentation.

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